



Secured Parties Continuation/Termination Form

MONTANA

Form M-2

Rev. 2-02

Liquor Licensing
P. O. Box 1712, Helena, MT 59604-1712

Instructions:

- Please type or print this form.
- Indicate the type of transaction desired by placing an "X" in the appropriate square, complete all applicable portions of the form, all parties must sign.
- If being submitted for a license to be transferred, the proposed licensee(s)/applicant(s) should be listed as debtor(s).
- Submit a \$10.00 fee for termination. (If secured parties were established prior to September 1, 1990).
- If signing on behalf of a corporation, bank, etc. please indicate the office held.
- If security interest is held by two or more persons, indicate below the signatures whether their secured interest will be held as joint tenants with rights of survivorship or as tenants in common.
- See ARM 42.12.205, quoted in full on the back of this form.

Debtors (s)/Assignor Name and Address:

Secured Party(ies)/Assignee(s) Name and Address:

License No. _____

Trade Name of Business: _____

Location of Business: _____

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Continuation

The undersigned, having a security interest in the above described license, hereby consents to the transfer of said license from _____ to _____ providing the person(s) listed above remain as secured part(ies) on the license. (1st, 2nd, 3rd, etc.)

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Termination

The undersigned, no longer claim(s) security interest in the above described license and hereby request(s) that the name(s) listed above as secured party(ies) be removed from the said license.

Dated this _____ day of _____, 20____

Signature(s) of Debtor(s)/Assignor:
(Please type or print name after each signature.)

Signature(s) of Secured Party(ies)/Assignee(s):
(Please type or print name after each signature.)

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42.12.205 REQUIREMENTS WHEN LICENSE SUBJECT TO LIEN

(1) All-beverage and beer licenses may be subject to a mortgage, security interest, and other valid lien. Upon written request to the department, accompanied by a financing statement or by a copy of the note or mortgage, security agreement, or other lien (in which the license or licenses to be affected are described with common certainty such as inclusion of license number) together with a fee of \$10, the name of the mortgagee, secured party, or other lien holder must be endorsed upon the license. All such requests shall be upon forms prescribed by the department and signed in each case by the licensee and the mortgagee, secured party, or other lien holder.

(2) No transfer of any license subject to any mortgage security interest, or other lien shall be approved unless the mortgagee, secured party, or lien holder shall subscribe and acknowledge the instrument of assignment. If the mortgagee, secured party, or lien holder is deceased, or otherwise unavailable, the instrument of assignment may be subscribed and acknowledged by the personal representative, heir, devisee, or other person upon providing sufficient proof that the person has authority to act on behalf of the estate or has otherwise received the right to the security interest or lien.

(3) At such time as any mortgage, security interest, or lien affecting any license has been satisfied and fulfilled, the name of the mortgagee, secured party, or lien holder shall be removed upon written request of all parties in interest and upon the payment of a fee of \$10, provided, however, that in the case of foreclosure and the transfer of license to the mortgagee, secured party, or lien holder, no such fee is required. If the mortgagee, secured party, or lien holder is deceased, or otherwise unavailable, the written request may be made by the personal representative, heir, devisee, or other person upon providing sufficient proof that the person has authority to act on behalf of the estate or has otherwise received the right to the security interest or lien. Any name of a mortgagee, secured party, or lien holder may also be removed upon the written request of the licensee or applicant for the license if accompanied by a court order releasing the security interest or lien, or other sufficient proof showing that the security interest or lien has expired, been discharged, or otherwise extinguished.

(4) Alcoholic beverage licenses may be subject to security interests as defined in 30-9-102(2), MCA, and other valid liens. The perfection of a security interest or other lien in an alcoholic beverage license does not depend upon filing with the department but rather by the statutory requirements which apply to the particular security interest or lien. If a secured party or a lien creditor, as defined in 30-9-301(3), MCA, desires to give additional public notice he may do so by filing a claim of security interest or other lien with the department. The department acts only as an additional source of public notice for voluntarily filed claims of security interest and other liens.

(5) The consent of a secured party or a lien creditor is not required by the department to transfer a license. Persons who have filed a claim of a security interest or lien will be given notice by the department of any application for transfer of the license.

(6) Upon written request to the department, together with a fee of \$20, the name of a person claiming a security interest shall be endorsed upon the license and shall be kept on file with the department. All such requests shall be upon forms prescribed by department and signed in each case by the licensee and the person claiming the security interest.

(7) The name of a lien creditor shall not be endorsed upon the license. However, upon written request to the department, the department shall keep the name of the lien creditor on file. The request must be accompanied by sufficient proof of perfection of the lien claimed. No fee is required.

(8) Any notice of security interest or other lien may be deleted from the department's file upon written request of the secured party or lien creditor. If the secured party or lien creditor is deceased, or otherwise unavailable, the written request for deletion may be made by a personal representative, heir, devisee, or other person upon providing sufficient proof that the person has authority to act on behalf of the estate or has otherwise received the right to the security interest or lien. Any notice of security interest or other lien may also be deleted from the department's file upon the written request of the licensee or applicant for the license if accompanied by a court order releasing the security interest or lien, or other sufficient proof showing that the security interest or lien has expired, been discharged, or otherwise extinguished.

(9) A security interest or other lien may be foreclosed upon in any manner provided by law. For the transfer of a license pursuant to a foreclosure, the department shall accept a foreclosure bill of sale, which specifically refers to the license by number, in lieu of the voluntary assignment of the license by the licensee. In non-judicial foreclosures, the department may require sufficient documentation that the proper foreclosure proceedings were followed. Purchasers of a license at a foreclosure sale must apply to the department for transfer of the license and are subject to all statutes and rules required of any other applicant.

(10) Subsections (1) through (3) will apply to all security interests and liens filed with the department prior to September 1, 1990. Beginning September 1, 1990, subsections (4) through (9) will apply to all new security interests and liens filed with the department. (History: Sec. 16-1-303 MCA; IMP, Sec. 16-4-204 MCA; NEW, Eff. 11/3/75; AMD, 1990 MAR p. 1266, Eff. 6/29/90.)